(without indexation benefits) on the long-term capital gains arising from the transfer of units of Unit Trust of India and units of Mutual Funds.

(c) and (d) Prior to amendment brought about by the Finance Act. 1999, the rate of tax on long-term capital gains arising out of transfer of certain securities in the case of non-resident assessees was 10% as against the rate of 20% applicable for resident assessees. The Finance Act, 1999 amended section 112 of the Income-tax Act providing for reduced rate of tax of 10% to any assessee in respect of long-term capital gains on listed securities without adjustment of Cost Inflation Index. Thus, the Government has already removed the discrimination between the resident and non-resident investors thereby providing greater opportunities of access to capital and growth to Indian companies. The benefit of reduced rate of capital gains tax is being extended to units of UTI and Mutual Funds by the Finance Bill, 2000, as stated in replies to parts (a) and (b) above.

Downsizing of Government Employees

3868. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether any instructions have been issued regarding downsizing of Government employees in die past;

(b) if so, the details thereof;

(c) what is the extent to which Government propose to reduce the employees both in percentage of existing strength in each category;

(d) whether Government also propose to wind up existing Ministries/ Departments;

(e) if so, the details thereof; and

(f) what action is proposed to be taken for reduction of Government expenditure other than pay and allowances?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) An exercise to reduce posts by 10% with reference to the sanctioned strength as on 1.1.92 has been underway. As per the information available in this Ministry, so far around 1.60 lakh posts have been abolished under this exercise.

(d) and (e) The Department of Industrial Development has been merged with the Department of Industrial Policy and Promotion.

(f) Austerity measures taken by the Government include ban on creation of posts, reduction in number of sanctioned posts, restrictions on Filling up of vacant posts, reduction in office expenses, restrictions on purchase of vehicles, restrictions on foreign travel and on entertainment/hospitality expenses, etc.

Investment in Research and Development

3869. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to increase investment in R and D in the next five years;

(b) the areas selected for increase in investment; and

(c) the steps proposed to be taken to strengthen co-operation between research laboratories, industry, academic institution, NGOs and Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) Efforts are being made by the Government to increase investment in the R and D in future. As a beginning, for taking up of relevant technology vision projects and for increasing co-operation between our universities and R and D institutions, a provision of Rs. 50 crore has been made in this year's budget. In addition, a provision of Rs. 50 crore has also been made for launching a New Millenium Indian Technology Leadership initiative to be based on partnership between Government and Private Sector. Further, it has also been decided to allow universities and research institutions to retain the revenue generated from intellectual Property Rights through publicly funded research and also share a part of the revenue with the inventor.

Investment of Nationalised and FIs for Development of Industries

3870. SHRI E. BALANANDAN : Will the MINISTER OF FINANCE be pleased to state :

(a) the total amount of investment of the Nationalised banks and Financial Institutions operating in the country for the development of industries during the last three years, State-wise;